

Coffee Updates

World coffee production in 2005/06 is forecast at 113.1 million bags (60 kilograms or 132.276 pounds), down about 6 percent, or 6.7 million bags over the previous year. Most of the decrease is attributed to the drop in Brazil's 2005/06 coffee production level. Brazil's production of coffee during 2005/06 is forecast at 36.5 million bags, down 14 percent in 2004/05. In addition, Vietnam's coffee production is forecast at 12.2 million bags, down 2.0 million bags from 2004/05.

Other significant changes in production include: Cote d'Ivoire, up 950,000 bags; Honduras, up 537,000 bags; Mexico, up 320,000 bags; India, up 240,000 bags; Ethiopia, down 500,000 bags; Burundi, down 270,000 bags; and Peru, down 175,000 bags.

Since Brazil is the largest coffee producer, swings in Brazil's supplies of coffee account for a large portion of the change in world total supplies of coffee. Total coffee supplies in 2005/06 are forecast at 136.3 million bags, down 4 percent from the previous year. In order to maintain coffee exports near last year's level, ending stocks for 2005/06 are forecast at 14.9 million bags, down from 21.3 million bags estimated for 2004/05.

Brazil

Brazil's 2005/06 coffee production is forecast at 36.5 million bags, down 5.9 million bags from 2004/05, mainly because arabica trees are in the "off-year" of the biennial production cycle. Forecast good robusta production will partially offset the decrease in arabica production. Overall, the prevailing weather conditions were good in all coffee growing areas through the blossoming stage, except center-western Minas Gerais, which was negatively affected by irregular rainfall during flowering. The biennial production cycle of the arabica trees is expected to be the major factor contributing to the projected crop decrease. Trees are predominantly in the "off-year" of the production cycle, and, as a consequence, lower yields are expected. On the other hand, robusta production appears set for a good recovery from the past crop, and yields are forecast to improve from 2004/05, thus offsetting the likely decrease in total production.

Brazil's coffee exports for 2005/06 are projected at 26.1 million bags, 23.0 million bags of bean exports and 3.1 million bags of soluble coffee exports. Due to the lower crop and forecast higher domestic consumption, carry-over stocks at the end of 2005/06 are forecast to decline to 4.8 million bags, sharply down from the previous year.

Brazil's Coffee Production					
State/Variety	2001/02	2002/03	2003/04	2004/05	2005/06
Minas Gerais	16.20	26.70	13.70	20.90	16.50
Southwest 1/	8.50	15.00	7.00	11.20	7.50
Central-Western 1/	3.20	4.85	3.00	4.10	3.30
Southeast 1/	4.50	6.85	3.70	5.60	5.70
Espirito Santo	9.70	11.50	7.70	8.00	8.60
Arabica	2.20	3.00	1.70	2.50	2.10
Robusta	7.50	8.50	6.00	5.50	6.50
Sao Paulo 1/	3.20	5.90	3.00	4.90	3.30
Parana 1/	.50	2.60	2.20	2.60	1.80
Others	5.50	6.90	5.40	6.00	6.30
Arabica	2.30	3.40	2.00	2.50	2.30
Robusta	3.20	3.50	3.40	3.50	4.00
Total	35.10	53.60	32.00	42.40	36.50
Arabica	24.40	41.60	22.60	33.40	26.00
Robusta	10.70	12.00	9.40	9.00	10.50

1/ Arabica.

Brazil's government auctions are as follows:

Brazil: Auctions of Government-Owned Coffee Stocks			
Date of Auction	Quantity Offered	Quantity Sold	Price Range
	60-kilogram bags		Brazil reais/bag
2005			
January 12	40,000	38,409	163.00-176.50
January 26	40,000	39,890	157.10-168.50
February 11	50,000	50,000	177.00-182.50
February 23	80,000	78,559	130.00-185.00
March 9	85,000	73,239	138.00-195.50
March 23	85,000	76,664	138.00-166.70
April 6	80,000	74,668	138.70-154.60
April 20	60,000	57,360	137.00-161.80
May 4	45,000	39,733	145.00-155.00
May 18	40,000	40,000	140.65-176.50

Vietnam

Vietnam's 2005/06 coffee production is forecast at 12.2 million bags, down 14 percent from last year, due to a smaller harvested area and lower crop yields. The 2005/06 harvested area is estimated to decline because some coffee fields in key coffee-production provinces were unproductive or barren due to prolong drought. Reportedly, in Dak Lak province, the largest coffee-producing province in Vietnam, about 20,000-30,000 hectares of coffee yielded nothing because of the drought. 2005/06 coffee crop yields are also estimated to decline by 5-10 percent due to the unfavorable weather.

United States

Stocks

U.S. coffee stocks at the end of January 2005 totaled 5.2 million bags, up 89,316 bags from the December 31, 2004, level. Details follow in 60-kilogram bags.

U.S. Coffee Stocks

Location	March 31	April 30	Difference
-----60-kilogram bags-----			
New York	2,192,452	2,270,681	78,229
New Orleans	1,555,098	1,600,446	45,348
Jacksonville	159,000	125,000	(34,000)
Miami	927,089	922,988	(4,101)
Houston	407,586	385,886	(21,700)
Laredo	67,875	62,939	(4,936)
Port Everglades	0	0	0
San Francisco	305,746	337,255	31,509
Los Angeles	0	0	0
Seattle	0	0	0
Norfolk	77,526	74,536	(2,990)
Philadelphia	3,714	5,220	1,506
Baltimore	0	0	0
Total	5,696,086	5,784,951	88,865

Source: Green Coffee Association, Inc.